

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1401-04
Bill No.: SCS for HCS for HB Nos. 578, 574 & 584
Subject: Education, Elementary and Secondary
Type: Original
Date: May 1, 2015

Bill Summary: This proposal requires high school students and students seeking a high school equivalency certificate to receive a passing grade on a basic civics test.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0	(\$922,290)	(\$596,632)
Total Estimated Net Effect on General Revenue	\$0	(\$922,290)	(\$596,632)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	(Could exceed \$100,000)	(Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

This proposal requires that a civics test be given to all students in order to graduate high school. The test is to be similar to the civics portion of the United States Naturalization Test, produced by the United States Citizenship and Immigration Services (USCIS). The assessment the USCIS administers is an oral assessment. Although there are 100 questions, an applicant for naturalization must answer 6 of 10 questions correctly. The test required by this proposal shall consist of similar questions from the 100 questions used by the USCIS. School districts shall choose the number of questions for the test. Per this proposal a passing grade is sixty percent of questions correct.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposal does not mandate that DESE provide a state civics assessment.

DESE assumes this proposal requires students seeking a high school equivalency certificate to also complete this exam. To include a civics test as part of the High School Equivalency (HSE) would require a computer based testing (CBT) version of the test to be available and offered at the same sites that are currently providing the main HSE test. Three options could be considered:

- 1) Provide the civics test via high schools = Costs would be consistent with those taking the USCIS test. However, this option would prove problematic because some HSE test-takers would not be allowed to enter the buildings due to the Safe Schools Act.
- 2) Provide the civics test via testing centers currently offering our vendor's test (HiSET)= Costs would be consistent with the state administering the assessment. (20,000 students x \$10 fee = \$200,000)
- 3) Include the civics test as part of our vendor's test (HiSET) = This option would include automated scoring and Missouri-specific reporting and data extract files. Cost estimates based solely on past experience would be approximately \$2 million.

DESE assumes in addition to the test development cost, testing centers would charge a fee to proctor the test. Current charges are \$7.50 to provide each subtest. This would either be charged to the test-taker or paid with state funds. Approx. 20,000 test-takers x \$7.50 = \$150,000

Civics must be added to Adult Education and Literacy curricula, which currently focuses on federally funded, English Reading, English Language and Math. Developing curricula and training teachers would be minimal. Additional state funding would be required to provide classes to educate students in civics. Approximately 40 hours of class time to teach material x 200 class sites x \$20 per hour = \$160,000.

ASSUMPTION (continued)

All solutions would require a rewrite of the current, internal DESE HSE system used to collect, store, and report High School Equivalency records. This will result in OA/ITSD costs. The costs are estimated to be \$412,290 in FY 2016 and \$84,519 in FY 2017 and \$86,632 in FY 2018.

Oversight notes this proposal requires the civics test given by the school districts to use similar questions used by the USCIS. Oversight contacted the USCIS about the availability of school districts using their existing test. Oversight received a response from the USCIS that stated school districts would not be allowed to use their test for free or for a fee. Additionally, copies of the test are not allowed to be distributed to school districts. School Districts would be required to create their own tests.

Oversight will show a Could exceed \$100,000 for all school districts to create and administer this test yearly.

Oversight will show the impact to DESE of providing the test for the High School Equivalency (HSE). Oversight will include the cost of the teaching of the test (\$160,000) as well as the state administering the test (20,000 students times the \$10 state assessment test = \$200,000). Additionally, Oversight will show the \$150,000 proctor fee for the HSE testers.

Oversight notes this proposal would require the testing to start July 1, 2016 (FY 2017).

Officials at the **Department of Higher Education** assume there is no fiscal impact from this proposal.

Officials at the **Carondelet Leadership Academy, Metropolitan Community College, Missouri State University, State Technical College, University of Central Missouri** and the **University of Missouri** each assume there is no fiscal impact to their respective organizations from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Costs</u> - DESE - computer programming and data collection	\$0	(\$412,290)	(\$86,632)
<u>Costs</u> - DESE - HSE Civics			
Teaching of materials	\$0	(\$160,000)	(\$160,000)
HSE civics test	\$0	(\$200,000)	(\$200,000)
Proctor fee	\$0	(\$150,000)	(\$150,000)
<u>Total Costs</u> - DESE HSE	<u>\$0</u>	<u>(\$510,000)</u>	<u>(\$510,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$922,290)</u>	<u>(\$596,632)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
LOCAL SCHOOL DISTRICTS FUNDS			
<u>Costs</u> - School Districts -creation and administering of the civics test	\$0	(Could exceed \$100,000)	(Could exceed \$100,000)
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
 <u>FISCAL IMPACT - Small Business</u>			

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill repeals the provisions requiring every high school student in any public or private school except private trade schools to satisfactorily pass an examination on the provisions and principles of the United States Constitution and the Missouri Constitution and in American history and American institutions in order to receive a certificate of graduation. The bill establishes the Missouri Civics Education Initiative that requires, beginning January 1, 2016, every high school student attending any public, charter, or private school except private trade schools or a student seeking to complete a high school equivalency certificate to, as a condition

FISCAL DESCRIPTION (continued)

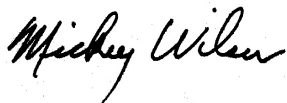
of high school graduation or its equivalent, take and receive a passing grade on a basic civics test similar to the civics portion of the United States Naturalization test, produced by the United States Citizenship and Immigration Services (USCIS).

The test must use the same 100 questions used by the USCIS that are administered to applicants for United States citizenship. In order to receive a passing score on the test, the student must answer at least 60 of the questions correctly. Any student may take the test as many times as necessary for passage, but must receive a passing score prior to receiving a high school diploma, a certificate of high school graduation, or a high school equivalency certificate. Every public, charter, or private school except private trade schools and the Department of Elementary and Secondary Education must certify that a student has taken and received a passing grade on the test.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Carondelet Leadership Academy
Department of Elementary and Secondary Education
Department of Higher Education
Metropolitan Community College
Missouri State University
State Technical College of Missouri
University of Central Missouri
University of Missouri



Mickey Wilson, CPA
Director
May 1, 2015

Ross Strope
Assistant Director
May 1, 2015